

Plaintiffs' Exhibit 49



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**Responses to Questions 1, 4-25, 28-36, and 39-52
of the Autorité de la Concurrence's Request for Information dated 23 July 2019
Case No. 19/0030F**

This submission sets out Google's response to questions 1, 4-25, 28-36, and 39-52 of the Autorité de la Concurrence's (**FCA**) Request for Information relating to the online advertising sector dated 23 July 2019 (**RFI**). The RFI requires Google to provide the responses to these questions by 23 September 2019. Responses to the remaining questions will be provided shortly.

As agreed with the Rapporteur, Mr Clément Chazelas, by email dated 11 September 2019, a French version of Google's response will follow by the end of the week commencing 23 September 2019.

Google's response and its annexes contain sensitive business secrets that should not be disclosed to third parties. Pursuant to Article R463-13 of the Code de Commerce, Google will formulate a request for this purpose and provide a non-confidential version of its responses.

Google does not endorse or validate the content, findings or views expressed in any third party materials, reports or studies referred to in this response.

We hope our responses are helpful. Please let us know if you have any questions.



Definitions

Ad network – a platform that brokers the sale of publishers' ad inventory to advertisers.

Authenticated users – users that have created and are signed-in to a Google Account when they interact with Google services.

Advertising intermediation – the resale of digital advertising from publishers or the provision of services that facilitate the sale of digital advertising between advertisers and publishers.

CPM - (Cost per impression) – the cost to the advertiser of every 1,000 impressions of an ad.

Digital advertising – the purchase, sale and serving of advertising either a) displayed on an Internet page viewed through a web browser or b) accessed via an app downloaded onto a device.

Display advertising – any digital advertising which isn't search advertising (includes both video and non-video advertising content sold either inside standard display units, integrated into the surrounding content or shown during, before or after other video content).

Dynamic allocation – a feature within Ad Manager that allows a publisher to maximise its overall yield by ensuring there is competition for its inventory from multiple demand sources, while also protecting the value of guaranteed inventory/reservations.

Exchange bidding – a service offered by Google Ad Manager; this is a server-side unified auction where several Ad Exchanges and supply-side platforms can compete in real time along with Google's Ad Exchange (AdX) to purchase ad impressions.

Google – means Alphabet Inc and all of the subsidiaries and businesses within the Alphabet group.

Header bidding – an advanced programmatic advertising technique wherein publishers offer inventory to multiple ad exchanges and supply side platforms simultaneously before making calls to their ad servers.

Inventory – the number of advertisements or amount of ad space a publisher has available for sale to advertisers.

Online search services – user services related to the use of a search engine, including both general search services and specialised search services.

Privacy policy (also known as Privacy Notice or Data Use policy) – policy relating to the collection, use, processing, sharing (internally and externally with third parties) and retention/storage of user data by a provider of User Services.

Publisher – producer of online content that may be used to support the display of advertising to consumers.

Search advertising – advertising related to online search services i.e. where advertisers pay to list and/or link their company site domain name to a specific search word or phrase (includes advertising relating to general search, specialised search and mapping services).



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Unauthenticated users – users that are not signed-in when they interact with Google services, or who use Google services without a Google Account.

User services – the provision of online products or services to consumers, either wholly or partially funded by, or otherwise used to support, the display of advertising to consumers.



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1	French competitors
2	Data
3	Ad Manager Terms and Conditions



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45. If publishers are using Ad Manager's ad serving functions, then Enhanced Dynamic Allocation is applied to the request made to AdX as this is built into the processes that Ad Manager carries out in delivering ads to publisher pages.
- Q13. Please indicate if the DFP users are, or have been, authorised to deactivate the dynamic allocation and/or the improved dynamic allocation. If so you will describe the consequences of such deactivation. If applicable, please identify your response during the targeted period.**
46. As described above in response to question 12, Enhanced Dynamic Allocation is built into the processes carried out by Ad Manager as an ad server and allows publishers to maximise their revenue opportunities, without compromising their direct deals.
47. It is not possible for publishers using Ad Manager to deactivate Enhanced Dynamic Allocation within the Ad Manager interface. However, it is technically possible for a publisher to use Ad Manager without the Enhanced Dynamic Allocation functionality by creating a separate "AdX Direct" account, linked to a remnant line item in Ad Manager. They can then set an average price at which they want AdX to compete (instead of competing at the dynamic price informed by real-time bids). This would cause Ad Manager to call AdX in the same way as it would call any other ad exchange or ad network, in effect, deactivating Enhanced Dynamic Allocation.
48. The real time competition between AdX and items booked in Ad Manager as either remnant or guaranteed is on an impression-by-impression basis. Publishers using Ad Manager have the ability to disable AdX on any impression by configuring settings in Ad Manager and AdX to control which inventory is eligible to compete.²⁰ It is possible for a publisher using Ad Manager to exclude the AdX exchange function from its sale process altogether.
- Q14. Please describe why the dynamic allocation was introduced for AdX only, to the exclusion of all others intermediation platforms (SSPs/AdExchanges). In particular, please specify if this restriction is justified by technical reasons.**
49. When first launched, Dynamic Allocation did not facilitate competition between multiple exchanges in real time. Third party exchanges could compete only at a fixed price. This was consistent with competing intermediation platforms at that time, which used a waterfall process²¹ to offer remnant inventory to demand sources.
50. To facilitate competition between multiple intermediation platforms, AdX would have had to make calls to third party ad exchanges to bid for ad inventory purchased in the auction. This would have added another layer of complexity to the ad serving process, with an associated increase in latency. In addition, such resale of inventory limits the

²⁰ See "Google Ad Manager Help: Dynamic Allocation", available at: <https://support.google.com/admanager/answer/3721872?hl=en>.

²¹ Also known as a "daisy-chain" process. This is a revenue optimisation process used by some publishers to maximise the revenue generated from a set-up with multiple ad buyers. Each ad buyer is in turn given the opportunity to bid on the inventory - if they cannot meet the floor price, then this is passed back to the next buyer in the waterfall.